

Information and the Burden of Moral Responsibility

Are consumers as selfish as economic theory has traditionally assumed? Substantial evidence indicates that they are not: A large body of experimental evidence has demonstrated that many are willing to share with others, and to contribute to public goods, to a much larger degree than predicted by the standard *Homo Oeconomicus* model.¹ However, the evidence also indicates that individuals' generosity is highly conditional: In some contexts, most people seem to behave selfishly; in others, they don't.² One possible explanation is that individuals' generosity depends upon their perceived moral obligation to contribute, and that feelings of moral duty are context-dependent.

If so, it is of interest to study what triggers, or deteriorates, individuals' feeling of moral responsibility. There are presumably a large number of such factors.³ Here, I will focus on voluntary contributions to improving the quality or quantity of public goods (such as clean air or a stable climate), and ask whether information about *the social importance* of potential contributions can affect such contributions through their impact on perceived moral obligations.⁴

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Information campaigns: Why care?

Many environmental and social problems can be solved through the use of policy instruments such as taxes, subsidies, tradable emission permits, or direct regulations. Nevertheless, such instruments cannot always be used efficiently. If it is impossible to observe and verify actions that cause harm (or benefit) to others, for example, if one cannot prove *who* poured a hazardous chemical into a river – taxes or prohibitions have no bite. Other obstacles can be caused by limited international cooperation or high administrative costs.

1: For overviews, see, e.g., Ledyard (1995), Camerer (2003). *Homo Oeconomicus* is assumed to care only about his own access to public and private goods.

2: Some experiments particularly relevant to the present paper are reported in Dana et al. (2004) and Lazear et al. (2005); see also Brekke (this volume).

3: Social psychologists have e.g. pointed out the roles of *prescriptive norms*, i.e. perceptions of what others are actually doing, and *injunctive norms*, perceptions of behaviors of which others approve or disapprove (Aronson et al., 2005). *Reciprocity*, the tendency to reward others' (believed) good intentions and punish their bad intentions, also seems very important (see e.g. Fehr and Gächter 2002).

4: A formal and more detailed analysis can be found in Nyborg (2006).

In such cases, it may still be possible to influence individual behavior, at least to some extent, by other means. One instrument which seems to be widely used by both central and local government, but which is hardly discussed in the economics literature, is information/attitude campaigns aimed at providing information about the social value of potential contributions. While *Homo Oeconomicus* would be unaffected by such campaigns, I will argue below that information may well increase the contributions from duty-oriented, morally motivated consumers by increasing their perceived moral responsibility.

The duty-oriented consumer

The duty-oriented morally motivated individual (Brekke et al., 2003) has a preference for regarding himself as a socially responsible person. He assesses his self-image by comparing his *actual* contributions to what he thinks he *ought to* have contributed. The greater the distance between his actual contribution and his perception of the morally ideal contribution, the lower his self-image. Brekke et al. (op. cit.) assume that duty-oriented consumers determine their morally ideal contribution by asking themselves: “What would happen to social welfare if – hypothetically – everyone acted just like me?” The ideal contribution is that contribution *which would have maximized social welfare*, according to the individual’s own judgement, *if everybody had contributed this amount*.

In the next step, the consumer’s *actual* behavior is determined by maximizing his utility, engendering a trade-off between consumption and a good self-image. The closer to the ideal behavior he comes, the better his self-image.⁵

In a complex world, each action undertaken by a person might potentially be related to a whole array of social problems; directly or indirectly increasing or reducing these problems. Nevertheless, we are not always aware of these relationships. Below I will assume that a person who is *ignorant* of a social problem, or its relationship to her own actions, behaves as if she *knew* that the problem (or the relationship to her own actions) did not exist.⁶

Imagine, now, that there is a social problem of which our duty-oriented individual is not aware; say, for the sake of being specific, that his car emits a newly discovered chemical that harms the lungs of newborn children, but that these emissions can be avoided by adding some costly component to the gasoline. As long as he does not even suspect the presence of this problem, he will not, of course, buy the cleaning component. The morally ideal contribution is the contribution he would like everybody to make, which is, in this case, zero: If everybody bought the cleaning component, everyone’s consumption would be reduced, while he

5: While the procedure for determining the morally ideal contribution is inspired by Kant’s Categorical Imperative, the duty-oriented individual is not a Kantian, since he is willing to make trade-offs between own consumption and a morally ideal behavior (thanks to Anniken Greve for pointing out this). Our model is rather an attempt to formalize a common ‘everyday’ moral reasoning. Brekke et al. (2003) provide survey evidence indicating that this reasoning is indeed common.

6: The underlying assumption is that an ignorant person does not even consider the possibility that the problem might be there. I thus treat *ignorance* as different from *uncertainty*. This assumption may be questioned, and will be explored in more depth in follow-up work.

believes (erroneously) that no social benefits would result. Thus, his self-image is at its best even though he contributes nothing; since not contributing is, in this case, judged to be both individually and socially best.

Assume that an information campaign then informs him about the problem. If the problem is important enough, he will now think that ideally, everyone should buy the cleaning component. Hence, if he behaves as before and does not buy the extra component, his self-image is reduced: He is no longer doing the morally correct thing. If, however, he buys the cleaning equipment, he keeps his good self-image but loses consumption. Hence, for a duty-oriented person, new knowledge of this kind can *increase* voluntary contributions; but it *decreases* the individual's utility.

Duty versus altruism

It is the latter conclusion, i.e., that individual utility can decrease even if contributions are voluntary, which may surprise an economist. Within the most popular economic model for explaining voluntary contributions, James Andreoni's "impure altruism" theory (Andreoni 1990), no such conclusion would emerge. This model assumes that the individual gets a private benefit: "the warm glow of giving", from her own contributions. Let us extend this model to take the *effects* of contributions into account: Assume that the *consequentialist impure altruist* cares about the *welfare effects* of her contributions; she prefers to be important to others.⁷ Assume also that like the duty-oriented individual, she is initially ignorant about the hazardous emissions from her car. When receiving information about the problem, she may, too, increase her contributions. There is a crucial difference compared with the duty-oriented individual, however: While the duty-oriented person's utility is *reduced* as a result of the new information, the consequentialist impure altruist's utility *increases*. Information about the 'new' problem increases her opportunities to be important to others, while she will not, like the duty-oriented, experience the heavier burden of moral responsibility. If she feels that the warm glow is not worth its cost and decides not to contribute, her utility will be as before. Moral *duty* is not one of her concerns; hence the cold shiver of not giving enough will not bother her.

Starting from a position of ignorance, a consequentialist impure altruist thus has no reason to shy away from seeking information about the world's many problems and what she might do about it: The more problems she knows about, the greater are her opportunities to become even more important. For the initially ignorant duty-oriented person, however, every new problem he becomes aware of may increase the effort required to keep his self-image as a decent person. Thus, while ignorant

7: Formally, her self-image is proportional to the increase in others' welfare due to her contribution, keeping others' behavior and beliefs fixed (Nyborg 2006, see also Brekke and Nyborg 2006).

consequentialist impure altruists may be willing to pay a positive amount to become informed about possible problems, the ignorant duty-oriented may prefer to *avoid* such information.⁸

Conclusion

Information campaigns may increase contributions, but unless information is too costly to obtain individually, there is reason to believe that the campaigns will mainly affect duty-oriented individuals. The consequentialist impure altruist may also contribute more, provided that she is, initially, ignorant. However, since she likes being important and is not bothered by duty, she may already have asked for additional information on her own initiative. The ignorant duty-oriented person, on the other hand, cannot be expected to actively seek information about potential problems on her own. Hence, an important effect of information campaigns can simply be to provide unwanted information to duty-oriented individuals, thus increasing their perceived burden of moral responsibility.

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8: Note that for an individual who is aware of the problem, but is uncertain about its true extent (i.e. *not* ignorant, as this concept is defined here), neither the duty-oriented person nor the altruist would unambiguously prefer to seek or avoid information. The duty-oriented person would fear to discover more demanding problems to care about, while the altruist would be afraid to discover that his contribution is less important than he thought.